

APPENDIX B LOYOLA UNIVERSITY CHICAGO LICENSEE CODE OF CONDUCT

GENERAL PRINCIPLES

Loyola University Chicago believes that it is the nature of our university to be a moral force, and it is the calling of a Jesuit university to take conscious responsibility for being such a force for faith and justice. Loyola University Chicago is called to live in a social reality, to live for that social reality, to shed university intelligence upon it and to use university influence to transform it. As a Jesuit institution we are called to the service of faith and the promotion of justice.

With these principles in mind, Loyola University Chicago deems it important to address the issue of worker rights and our role in promoting justice in the work place. The Catholic Church and the Society of Jesus have a long tradition of standing in solidarity with workers, specifically since the issuance of *Rerum Novarum* written over one hundred years ago. General Congregation 34 of the Society of Jesus proclaims, “Our experience in recent decades has demonstrated that social change does not consist only in the transformation of economic and political structures, for these structures are themselves rooted in sociocultural values and attitudes. Full human liberation, for the poor and for us all, lies in the development of communities of solidarity at the grass-roots and nongovernmental as well as the political level, where we can all work together towards total human development.”

True justice involves fidelity to the claims of our relationships. The challenge of justice is always to determine exactly what are the most binding relationships in our personal and institutional lives and then to discern the requirements of each. As a university community, our primary relationships take place ‘on campus’: in the classroom, libraries, residence halls and offices of our university. It is in these places where the requirements of justice are initially met.

But no university is an island, but rather is involved in an extensive network of relationships with extramural institutions, organizations and businesses. Whenever food is served in the cafeteria, we make a tie to the workers who have grown, picked and shipped that food. Whenever we order material supplies for our university, we establish a relationship with the workers who have produced and delivered them. Whenever we license apparel, we come into contact with the workers who have sewn those garments. To make these connections is a beautiful realization; we become reminded that we are not alone in the world, but part of a greater whole. “In our times there is a growing consciousness of the

interdependence of all peoples in one common heritage. The globalization of the world economy and society proceeds at a rapid pace, fed by developments in technology, communication, and business. While this phenomenon can produce many benefits, it can also result in injustices on a massive scale: economic adjustment programs and market forces unfettered by concern for their social impact, especially on the poor; the homogenous ‘modernization’ of cultures in ways that destroy traditional cultures and values; a growing inequality among nations and ‘within nations’ between rich and poor, between the powerful and the marginalized. In justice, we must counter this by working to build up a order of genuine solidarity, where all can have a rightful place at the banquet of the Kingdom (General Congregation 34 of the Society of Jesus).”

Considering these connections raises the question of justice. Because we contract services out to others, who then contract them out to third parties, frequently injustice can go on in our name and with our money but without any awareness on our part. This situation, reflective of the dynamics of our global economy, requires that we raise new ethical questions and establish new policies. Are the relationships we have with workers just? The question goes further, if we see that we are connected to unjust labor practices, are we not also called to help remedy those injustices, to not merely avoid injustice, but to promote justice and resist injustice? Given our Jesuit and Catholic heritage, the answer to this question is yes.

Surely, this is not an easy path. The issues are often complex and difficult to sort out. To presume that anyone has all the answers is unreasonable and rash. But as the 32nd General Congregation of the Society of Jesus states, “We can no longer pretend that the inequalities and injustices of our world must be borne as part of the inevitable order of things. It is now quite apparent that they are the result of what man himself, man in his selfishness, has done.” Thus, we are called to opt with the poor, to consider how our actions affect the poor and to work to end their suffering, which leads to our own liberation. The 34th General Congregation of the Society of Jesus writes, “Being ‘friends of the Lord,’ then, means being ‘friends with the poor,’ and we cannot turn aside when our friends are in need. We are a community in solidarity with them because of Christ’s preferential love for them. We understand more clearly that the sinfulness of the world, which Christ came to heal, reaches in our time a pitch of intensity through social structures which exclude the poor—the majority of the world’s population—from participation in the blessings of God’s creation.”

It is with these ideas in mind that we provide the following worker rights code of conduct. This code has been written with the following

realizations in mind: The majority of the work force in the garment producing industry is comprised of women, who are subject to specific kinds of injustice, such as sexual harassment, forced birth control and low pay. The right to organize is also frequently violated and those who attempt to do so are often met with dismissal and violence. In addition, wages, earned only after long hours, are very often inadequate to meet workers' most basic needs. We stress these points because we believe that they are the primary obstacles preventing workers from full participation in the work of society, and in the development of themselves spiritually, intellectually, and physically which are values we hold dear.

CODE OF CONDUCT

Introduction: Throughout the Code the term "Licensee" shall include all persons or entities which have entered into a written License Agreement, that includes this Code of Conduct, with the University, or its licensing agent, to manufacture Licensed Articles bearing the names, trademarks and/or images of the University. The term Licensee shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of the Licensees' contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

Notice: The principles set forth in the Code shall apply to all Licensees. As a condition of being permitted to produce and/or sell Licensed Articles, Licensees must comply with the Code. Licensees are required to adhere to the Code within six (6) months of notification of the Code and as required in applicable license agreements.

Standards: Licensees agree to operate work places and contract with only those companies whose work places adhere to the standards and practices described below. The University prefers that Licensees exceed these standards.

Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. Where there are differences or conflicts with the Code and the laws of the country(ies) of manufacture, the higher standard shall prevail, subject to the considerations stated in Section VI.

Employment Standards: Licensees shall comply with the following standards:

Wages and Benefits: Licensees recognize that wages are essential to meeting employees' basic needs. Licensees shall pay employees, as a floor, wages and benefits which comply with all applicable laws and regulations, and which provide for essential needs and establish a dignified living wage for workers and their families. A living wage is a 'take home' or 'net' wage, earned during a country's legal maximum work week, but not more than 48 hours. A living wage provides for the basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare, transportation and savings) of an average family unit of employees in the garment manufacturing employment sector of the country divided by the average number of adult wage earners in the family unit of employees in the garment manufacturing employment sector of the country. We also recognize that wage-earners often need to support non-wage earners. This should be taken into consideration when configuring a living wage. Further, Loyola University Chicago will participate in future university-based living wage studies.

Working Hours: Hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week or (b) the limits on regular hours allowed by the law of the country of manufacture, and (ii) be entitled to at least one day off in every seven day period, as well as holidays and vacations.

Overtime Compensation: All overtime hours must be worked voluntarily by employees. In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least one and one-half their regular hourly compensation rate.

Child Labor: Licensees shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. If a child is to be employed at an age where he/she is still going through compulsory education, that child shall be employed for a number of hours compatible with his/her education. Licensees agree to consult with governmental, human rights and nongovernmental

organizations, and to take reasonable steps as evaluated by the University to minimize the negative impact on children released from

employment as a result of implementation or enforcement of the Code.

Forced Labor: There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.

Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities. In addition, Licensees must comply with the following provisions:

The Licensee shall ensure that its direct operations and any subcontractors comply with all workplace safety and health regulations established by the national government where the production facility is located, or with Title 29 CFR of the Federal Code of Regulations, enforced by Federal OSHA (Occupational Safety and Health Administration), whichever regulation is more health protective for a given hazard.

The Licensee shall ensure that its direct operations and any subcontractors comply with all health and safety conventions of the International Labor Organization (ILO) ratified and adopted by the country in which the production facility is located.

Workers will not be exposed to hazards, including glues and solvents, that present a substantial and documented danger to their safety, including their reproductive health.

Nondiscrimination: No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union beliefs and activities or social or ethnic origin.

Harassment or Abuse: Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment. Further it is understood that workers have the right for their private lives to remain private.

Freedom of Association and Collective Bargaining: Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively. Licensees shall not cooperate with governmental agencies and other organizations that use the power of the State to prevent workers from organizing a union of their choice. Licensees shall

allow union organizers free access to employees. Licensees shall recognize the union of the employees* choice.

Women's Rights:

Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.

Pregnancy tests will not be a condition of employment, nor will they be demanded of employees or applicants.

Workers who take maternity leave will not face dismissal or threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits.

Workers will not be forced or pressured to use contraception.

Licensees shall provide appropriate services and accommodation to women workers in connection with pregnancy and lactation.

Compliance and Disclosure: Licensees (for themselves and on behalf of their contractors, subcontractors or manufacturers) shall disclose to the Worker Rights Consortium, the University, and the public the information set forth in Sections A, B and C below.

Upon execution and renewal of the License Agreement and upon the selection of any new manufacturing facility which produces Licensed Articles, the company names, contacts, addresses, phone numbers, e-mail addresses and nature of the business association for all such facilities which produce Licensed Articles;
at least sixty (60) days prior to the end of each contract year of the License Agreement, written assurance that (i) Licensees are in compliance with the Code and/or (ii) licensees are taking reasonable steps to remedy non-compliance in facilities found not to be in compliance with the code; at least sixty (60) days prior to the end of each contract year of the License Agreement, a summary of those steps taken to remedy material violations, and/or difficulties encountered, during the preceding year in implementing and enforcing the Code at all of Licensees' facilities which produce Licensed Articles.

Verification: It shall be the responsibility of Licensees (for themselves and on behalf of their contractors, subcontractors or manufactures) to ensure their compliance with the Code. The Worker Rights Consortium and its Member Institutions will undertake efforts to determine and clearly define the obligations associated with the development of adequate methods and training for independent external

monitoring, as guided by the principles in the founding document of the Consortium.

Labor Standards Environment: In countries where law or practice conflicts with these labor standards, Licensees agree to consult with governmental, human rights, labor and business organizations and to take effective actions as evaluated by the University to achieve full compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards. In addition to all other rights under the Licensing Agreement, the University reserves the right to refuse renewal of Licensing Agreements for goods made in countries where: (a) progress toward implementation of the employment standards in the Code is no longer being made; and (b) compliance with the employment standards in the Code is deemed impossible. The University shall make such determinations based upon examination of reports from governmental, human rights, labor and business organizations and after consultation with the relevant Licensees.

Remediation: Remedies herein apply to violations which occur after the Effective Date of the Code. If a Licensee has failed to self-correct a violation of the Code the University will consult with the Licensee (for itself and on behalf of its contractors, subcontractors or manufacturers) to determine appropriate corrective action. The remedy will, at a minimum, include requiring the licensee to take all steps necessary to correct such violations including, without limitation, paying all applicable back wages found due to workers who manufactured the licensed articles, and reinstatement of any worker found to have been unlawfully dismissed. If agreement on corrective action is not reached, and/or the action does not result in correction of the violation within a specified reasonable time period, the University reserves the right to require that the Licensee terminate its relationship with any contractor, subcontractor or manufacturer that continues to conduct its business in violation of the Code and/or terminate its relationship with any Licensee that continues to conduct its business in violation of the Code. In either event, the University will provide the Licensee with thirty (30) days written notice of termination.

In order to ensure the reasonable and consistent application of this provision, the University will seek advice from the Worker Rights Consortium regarding possible corrective measures and invocation of options (1) and (2) above.